



STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR
DIVISION OF MEDICAID
DR. ROBERT L. ROBINSON
EXECUTIVE DIRECTOR

SINGLE AUDIT FINDINGS

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
Post Office Box 956
Jackson, MS 39205-0956

May 23, 2006

Dear Mr. Bryant:

Our responses and corrective action plan, relative to your letter dated May 8, 2006, are as follows.

ALLOWABLE COSTS/COST PRINCIPLES

Immaterial Noncompliance

93.778 Medical Assistance Program

05-15 Agency Should Ensure Paid Hospital Claims Do Not Exceed Service Limits

Response: The Division has strengthened internal control procedures related to computer system edit controls, including service limit edits, to ensure that they are operating effectively and to ensure that all changes are accurately documented. The exceptions noted in this finding were the result of a failure to retro-actively apply the Division's corrective action plan to claims that were paid prior to the close of the previous year's audit. The Division and its fiscal agent have implemented corrective action procedures for all computer system edit controls as of the date the 2004 Single Audit Report was issued.

Corrective Action: All changes to computer system edit controls are approved and logged by the Division on the day they are implemented by the fiscal agent. Systems personnel from the Division and the fiscal agent review all exception reports related to computer system edit controls to ensure that all claims have been correctly processed for payment or denied in accordance with the Mississippi Medicaid State Plan.

The Division and its fiscal agent will also determine the disposition for the claims that were listed on the exception reports mentioned in your findings, and make the appropriate adjustments to claims history if the claims have not been previously corrected.

ALLOWABLE COSTS/COST PRINCIPLES

Immaterial Noncompliance

93.778 Medical Assistance Program

05-16 Agency Should Ensure Claims for Physician Visits in Excess of Service Limits Are Denied.

Response: The Division has strengthened internal control procedures related to computer system edit controls, including service limit edits, to ensure that they are operating effectively and to ensure that all changes are accurately documented. The exceptions noted in this finding were the result of a failure to retro-actively apply the Division's corrective action plan to claims that were paid prior to the close of the previous year's audit. The Division and its fiscal agent have implemented corrective action procedures for all computer system edit controls as of the date the 2004 Single Audit Report was issued.

Corrective Action: Please see the Corrective Action listed in finding number 05-15.

ALLOWABLE COSTS/COST PRINCIPLES

Immaterial Noncompliance

93.778 Medical Assistance Program

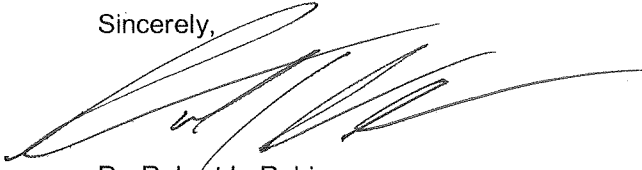
05-17 Agency Should Ensure Hospital Claims Are Paid in Accordance with the State Plan

Response: The Division has strengthened internal control procedures related to computer system edit controls to ensure that they are operating effectively and to ensure that all changes are accurately documented.

Corrective Action: Please see the Corrective Action listed in finding number 05-15.

If you have any questions, please contact Janet Mann at 601.359.6528.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dr. Robert L. Robinson', with a long horizontal flourish extending to the right.

~~Dr.~~ Robert L. Robinson
Executive Director